

RULES BRIEFING

Community Scholarship Matching Grant Program

October 2002

PROGRAM OVERVIEW

The Washington State Community Scholarship Matching Grant program provides matching grants of \$2,000 to community-based 501©(3) organizations raising at least the same amount for college scholarships through local fundraising initiatives. The matching grant generates community support for local residents pursuing higher education and is an expression of the state's interest in supporting local fundraising. Leveraging local support for college costs is intended to help fill the growing gap between college costs and what families and taxpayer supported financial aid programs can afford to pay.

The program is currently funded at \$251,000 per year, which allows about 125 organizations to receive awards each year.

BACKGROUND

During the 1989 legislative session, HB 1368 was introduced to create the Community Scholarship Foundation. The bill did not pass, but a similar program was introduced through budget proviso language and funded initially at \$50,000 per year. In April 1990, the HECB adopted program rules under WAC 250-69.

With the exception of 1992-93 and 1993-94, when the program received no funding, the amount of funding remained about the same through 1998-99, and original program rules were adequate to administer the program. In 1999-00, funding increased from about \$50,000 per year to \$251,000 per year. Since then, working with a program advisory committee, the program has developed additional provisions to carry out the broader purposes of the fund.

The 2002-03 year marks the fourth year of this more significant level of funding. To be on record about the method in which the Board is currently managing the program, staff is recommending updating the rules to codify current statutory and administrative priorities. Draft rule revisions included in this packet have been reviewed with the sponsoring legislator, members of the advisory committee, and by the Board's Assistant Attorney General, Howard Fisher.

PROPOSED REVISED RULES

The recent budget proviso language, though limited, introduces two items not reflected in the original budget proviso language or rules:

- Community-based groups can now qualify for more than one grant; and
- Preference is given to organizations affiliated with the Citizens' Scholarship Foundation.

Initially, only new organizations were eligible for grants. It was thought that the grant would inspire groups to organize scholarship fund raising in communities where it had not previously occurred. The additional funds received in recent years have made it possible to consider what would further inspire, promote and eventually stabilize these efforts for the future.

This has resulted in proposed rules that outline the three priorities for awarding the grants:

- First priority goes to organizations that have not previously received the matching grant funding.
- Second priority goes to organizations that previously may have received a matching grant and in the new year of application raise new dollars to place those dollars and the matching grant into a endowment that would generate a self-sustaining source of income for future scholarships.
- Third priority goes to organizations that have previously received the matching grant, and in the new year of application, again will raise new money to award additional scholarships to community members.

The statute gives preference to groups affiliated with citizens' scholarship foundations. This foundation, Citizen Scholarship Foundation of America (CSFA), is a national non-profit entity that operates a number of educationally related programs. One of them is "Dollars for Scholars," a national network of community-based, volunteer-operated scholarship foundations in cities, towns, and neighborhoods across the country. Community-based organization that choose to affiliate with the foundation pay a modest fee get help in securing 501©3 status, materials to help groups organize their board structure, and ideas on conducting fund-raising events.

Other revisions to the rules are largely administrative. Revisions would update definitions, drop an outdated reference to the program as a "demonstration project", and clarify reporting requirements.

NEXT STEPS

Following the Board's briefing at the October 29 meeting, the agency will propose rules and invite the public to comment on them in writing or in person at an announced public hearing. The Board will then get the results of the hearing, along with any additional revisions deemed necessary from public comment, as a resolution to the Board for adoption. New rules would become effective 31 days from the date of filing with the Code Reviser.



*** D R A F T ***

**PROPOSED RULE MAKING
(RCW 34.05.320)**

CR-102 (7/22/01)
**Do NOT use for expedited
rule making**

Agency: Higher Education Coordinating Board		<input checked="" type="checkbox"/> Original Notice	
<input checked="" type="checkbox"/> Preproposal Statement of Inquiry was filed as WSR <u>02-19-089</u> ; or <input type="checkbox"/> Expedited Rule Making -- Proposed notice was filed as WSR _____; or <input type="checkbox"/> Proposal is exempt under RCW 34.05.310(4).		<input type="checkbox"/> Supplemental Notice to WSR _____ <input type="checkbox"/> Continuance of WSR _____	
(a) Title of rule: (Describe Subject) WAC 250-69 Community Scholarship Foundation Demonstration Project Purpose: To amend the rules by detailing priorities for the awarding of the matching grant Other identifying information:			
(b) Statutory authority for adoption: RCW 28B.240 and .370		Statute being implemented: 2001 2nd Sp. S. C 7 S 611 (7) (g) (ESSB 6153-Operating Budget)	
(c) Summary: To officially adopt current administrative procedures resulting from a significantly increased appropriation. Reasons supporting proposal: Program exists through a very limited budget proviso. The amended rules provide a public record of how the Board currently administers the program.			
(d) Name of Agency Personnel Responsible for:		Office Location	Telephone
1. Drafting..... Betty Gebhardt		917 Lakeridge Way, Olympia, WA 98504	360-753-7852
2. Implementation.... Betty Gebhardt		917 Lakeridge Way, Olympia, WA 98504	360-753-7852
3. Enforcement..... Betty Gebhardt		917 Lakeridge Way, Olympia, WA 98504	360-753-7852
(e) Name of proponent (person or organization): Higher Education Coordinating Board		<input type="checkbox"/> Private Public <input checked="" type="checkbox"/> Governmental	
(f) Agency comments or recommendations, if any, as to statutory language, implementation, enforcement and fiscal matters: None			
(g) Is rule necessary because of: Federal Law? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If yes, ATTACH COPY OF TEXT Federal Court Decision? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Citation: State Court Decision? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
(h) HEARING LOCATION: Higher Education Coordinating Board 3 rd Floor Conference Room 917 Lakeridge Way Olympia, WA 98504 Date: <u>January 7, 2003</u> Time: <u>9am to 12 pm</u> Assistance for persons with disabilities: Contact <u>Belma Villa</u> by January 2, 2003 TDD (360) <u>753-7809</u> or (360) <u>753-7800</u>		Submit written comments to: Betty Gebhardt Associate Director Higher Education Coordinating Board P O Box 43430 Olympia WA 98504-3430 FAX (360) 704-6252 Bv: January 7, 2003 DATE OF INTENDED ADOPTION: February 4, 2003 CODE REVISER USE ONLY	
NAME (TYPE OR PRINT) Betty Gebhardt			
SIGNATURE			
TITLE Associate Director			
DATE			

(j) Short explanation of rule, its purpose, and anticipated effects:

The amended rules are designed to explain current administrative procedures that have been developed with the assistance of a program advisory group. These revised priorities for awarding the matching grants came about in response to a significantly increased appropriation.

Does proposal change existing rules? X YES ☐ NO

If yes, describe changes:

The substantive changes include deleting reference to the program as a demonstration project. The program has been in existence for well over 10 years now and is no longer referred to in the budget language as a “demonstration” project. The budget language now permits an organization to qualify for more than one grant, so these rules include this change. And, there are now three priorities for awarding the matching grants – new organizations that have not previously received the grant; previously awarded organizations pledging new fund raising for permanent irrevocable endowment scholarship accounts; and previously awarded organizations wishing to give out additional scholarships.

(k) Has a small business economic impact statement been prepared under chapter 19.85 RCW?

☐ Yes. Attach copy of small business economic impact statement.

A copy of the statement may be obtained by writing to:

telephoning: ()

faxing: ()

X No. Explain why no statement was prepared

(l) Does RCW 34.05.328 apply to this rule adoption? ☐ Yes X No

Please explain: